

SECTION 6

SPECIAL EVENTS MANAGEMENT

THE VALUE OF FUND-RAISERS AND PARTIES

Special events, which can range from fund-raisers to chapter parties, can serve a variety of functions. Chapter social events can build relationships and help members develop new friendships. In addition, special events can provide networking opportunities and raise the industry's image. Members' involvement in helping coordinate special events also helps to retain members because they feel a sense of ownership towards the chapter and its events.

SPECIAL EVENT MANAGEMENT

Suggestions for Sponsorship Proposals

- Outline each organization's responsibilities and expectations.
- Outline the benefits of sponsorship (always follow up with a Thank You letter confirming the sponsorship and a date that the sponsorship should be received; can include invoice).
- Include a list of current board members.

- If possible, a board member with a close connection to a potential sponsor should ask for the contribution/sponsorship.
- Don't promise that a sponsor will appear in a PSA (public service announcement) unless you are certain it will run (you intend on buying the airtime). Many radio and television stations no longer consider such a segment as a PSA if a company name/logo appears as they are able to be paying customers/advertisers. You may promise that the company's name/logo will appear in press releases. That leaves the decision to recognize that company as a sponsor to the radio and/or television station.
- List 501(c)(3) status on contribution forms if working with a non-profit organization.
- If proceeds will benefit the TRA (chapter) only then you should list that the contribution may be a business deduction.
- Include a brief history/background of participating organizations.
- Specify event name, location, date and time.
- Include contribution form.
- List other supporters.

Guidelines for Event Agreements with other groups

- Responsibilities/expectations of each participating organization should be outlined (and relatively evenly dispersed) including

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sponsorship recruitment and solicitations; in-kind donor solicitation; responsibility for set-up and clean up; volunteer recruitment and management; etc.

- How proceeds will be divided should be detailed in advance. The **net income** should be split between the participating organizations. The split should be relevant to the amount of work completed by participating organizations. (e.g. 20% of work = 20% of net proceeds)
- A person should be designated to handle the accounting.
- Books should be open to any participating organization.
- If there is a deficit for the event following reconciliation of all statements, the deficit should be equally split between participating organizations.
- All participating organizations should participate in the budgeting process. Each should recognize and abide by the fundraising guidelines as outlined by the Better Business Bureau.
- An evaluation meeting should be held no later than one (1) month following the event. All participating organizations should be present.
- Tax-exempt status form(s) of all participating organizations should be included.
- Meeting dates leading up to event need to be outlined.
- The contract should specify the number of meetings that representatives from participating organizations must attend.
- Mailing lists should be provided by each participating organization and an agreement made that the lists will be used for the event only.

Disclosure of Charitable Deductions for 501-C-3

For years, all types of special event functions for non-profit organizations were considered “tax deductible.” The ticket for a gala, for example, was a tax deduction, even though part of the price of the ticket went towards the meal and the entertainment. In recent years, however, the

Internal Revenue Service has been pressuring charities to specify the portion of payments for fundraising events that can be taken as a charitable deduction. The House Budget Committee approved the Revenue Ruling 67-246 (1967-2CB104). These rules require that the ticket, the receipt and any promotional materials indicate the value that the donor receives and the amount that may be deducted.

If you are working with a 501(c)(3) non-profit organization, you have the option of having all checks paid to that organization. However, they are then responsible for all of the accounting. That organization should then provide receipts to all donors designating the amount of the contribution that is tax-deductible.

If the charitable deduction is \$75 - \$250, a receipt is not necessary (unless they paid with cash) as long as a version of the following statement is printed on the invitation:

“The Texas Restaurant Association Education Foundation and Wednesday’s Child Benefit Corp. are 501(c)(3) organizations and therefore, you may claim a donation deduction for the difference between the cash you paid and the value of the benefits received. The fair market value of the meal & entertainment furnished in connection with the event is \$25 per person”

If the charitable deduction is greater than \$250 the donor must receive a letter from the 501(c)(3) organization on their letterhead detailing his/her contribution.

Business Tax Deductions for 501-C-6

- A donor can deduct contributions as a business expense. They may deduct 50% of the cost of meals and entertainment. They may deduct 100% of a marketing expense.
- The following statement may be printed on all of your invitations, sponsor proposals, etc.

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“The _____ Restaurant Association is a 501-C-6 organization and therefore, you may claim a business deduction for the (meal, entertainment, advertising) you receive.”

Business Tax Deductions for the Vendors who contribute to the event:

If a restaurant or retail outlet donates dinners or products to your auctions, etc., they may deduct their cost of that item only, not the retail value. If someone donates an item on consignment (“you can have whatever money you make over my cost”) there IS NO DEDUCTION to that business donor because they have made no donation.

Raffle ticket printing

If you are going to sell raffle tickets you must have the following statement printed on them. It can be printed in very small print, BUT must be printed legibly.

“Suggested donation \$ _____. No gift required to enter.”

GUIDELINES FOR ORGANIZING A *TASTE*

Set Goals

What is the purpose of the *Taste* and what are the chapter's objectives?

Some chapters work with local charity organizations and donate a portion of the proceeds. Other chapters work with organizations and split the proceeds. Some chapters use proceeds for local scholarships, the TRA Education Foundation, TRAPAC, or the TRAction. It's up to your chapter to decide the purpose and structure of your *Taste*. This goes hand-in-hand with your decision of which, if

any, organizations in your community you wish to support such as the Pilot club, colleges or universities, Chefs Association, etc.

Determine Date, Location and Theme

Three key elements to a successful *Taste* are date, location and theme. Choose a date that does not interfere with other community events or members' schedules. (You'll need plenty of volunteers.) Location is also critical. You'll want something accessible to the community with plenty of parking. Most chapters hold their *Taste* at the convention or civic center.

Finally, make it different and exciting for your chapter each year by choosing a theme. If you are donating some of the proceeds to a charitable organization, the theme may center on that organization's purpose.

Form *Taste* Committee and Subcommittees

Traditionally, the first vice president serves as the chair of this committee. It is helpful to have 4-5 members on the *Taste* committees who have prior experience. Following are suggested committees:

- **Budget committee** - works directly with the chapter finance and planning committee or treasurer to set an overall budget for the event. Creates budgets for each of the following subcommittees.
- **Site committee** - works with the location, secures a contract for the agreed date and site, arranges for insurance, security, electricity. Each Chairman will plan their meeting with their individual committees.
- **Food booth committee** - Sets booth price (if any), develops an exhibitor agreement, recruits exhibitors and helps exhibitors the day of the event.
- **Sponsorship committee** - Responsible for attaining sponsors, both corporate and individual. Sponsorships can help defray the overhead costs involved with the *Taste*.

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Many chapters host a special sponsor's reception proceeding the *Taste*.

- **Entertainment committee** - Responsible for scheduling entertainment according to the budget. For low cost entertainment, some chapters use local high school bands or jazz bands (great way to get the parents out) or seek talent or connections within the chapter membership.
- **Promotion and Advertising** - Responsible for all promotion and advertising. Although there is a cost, some chapters hire a public relations or advertising firm as the amount of publicity can be worth it. Consider a firm connected to the membership, such as one with TRA member clients. See the section in this handbook on Communications and Publicity.
- **Ticket sales committee** - Responsible for controlling ticket sales.

Determine Pricing System

The two most common ways to handle pricing are outlined below:

- Charge a \$5 - \$20 admission fee (depending on what you need and what your market will bare) and give away the food for free. You can sell tickets in advance and at the door.
- Provide free admission and sell tickets with which guests can purchase food. Tickets could be sold in increments, for example, \$5 for 10 50-cent tickets. The exhibitor sets the price for the food at his/her booth and may be eligible to retain a portion (30 - 50 percent) of the proceeds to recoup food cost.

Other Tips and Ideas

- Consider gathering a group from your chapter to attend another chapter's *Taste* to gain ideas.
- In addition, talk with fellow TRA members in other chapters to discover what problems they have faced, how they overcame these problems and what worked well when planning their *Tastes*.
- Consider holding your *Taste* in a unique location. For instance, the Coastal Bend

Chapter has held its *Taste* on the USS Lexington.

- Put a "scholarship" tip jar at each booth and let booths compete to see who can raise the most money for the chapter scholarship fund.
- Invite local celebrities and media representatives to "judge" the event.
- Invite another organization to sell advance tickets and keep a percentage of the profits from these tickets for itself.
- If you print a program for your *Taste*, consider making it into a restaurant guide. As long as you have to incur costs to print the program, why not benefit long after the event by turning it into a restaurant guide that can be used to promote your members? This will serve as an added incentive to participate in the *Taste* because only participants will be listed in the guide.
- Delegate, delegate, and delegate. Organizing a *Taste* is a big job; no one should have to do it alone!

GUIDELINES FOR OTHER EVENTS

Golf Tournament

A golf tournament is similar to most functions in that it should be set up through a committee, with plenty of time to handle all the final arrangements. It is beneficial to choose committee members who are well connected in the industry and/or community, have golfing experience or have handled tournaments previously.

A golf tournament is a great way to sell tournament sponsorships. Consider the following levels of sponsorships:

Hole in One	(3)	\$1,000 each
Golf Carts	(1)	1,000
Closest to the Pin	(3)	500
Longest Drive	(3)	500

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Putting Contest	(1)	500
Chipping Contest	(1)	500
Driving Range	(1)	500
Hole	(1)	300
Tee/Green	(18)	175

You also might want to solicit award sponsorships and door prize sponsorships as well and vary the level of rewards.

Given this type of sponsorship, you can award the following for those levels: corporate logos on signage; complimentary advertisements in the chapter newsletter; and a number of tickets to the tournament dinner. You can choose the level of sponsorship depending upon the level of contribution.

Golf tournaments can vary in difficulty depending upon the golf club. Some clubs are very helpful in assisting with handicaps and putting teams together. Other clubs leave the coordination up to you and handle only catering functions. You can save money if you have the catering donated by members, so consider your options prior to signing any contracts. Make sure you do not accept any registrations without payment. Good tournaments usually sell out, and you may find that some players are unable to play or pay the day of the game, and you could have sold the spots to someone else. Be firm about payment policy and deadlines.

Casino Night

A casino night is not only a fun evening for the members but is also a great opportunity for the chapter to raise funds. Following are some guidelines for planning such an event:

- Assign a committee chair, with sub-chairmen to handle details such as food, solicitations, chip sales, registration, decorations and clean up. Each sub-committee will need volunteers.
- Consider hiring a company to actually run the casino tables or at least seek advice on how to run a casino night and how to handle poker chip sales and timing.
- Consider soliciting gifts for an auction or raffle. You might want to use a professional

auctioneer to add to the fun. Don't forget to credit the members that donated for the event.

- Some chapters cater, others coordinate food donations from member restaurants. If you cater, don't forget to make sure the caterer is a TRA member!

****About Gambling:**

TRA chapters may not use any scheme involving gambling. Many chapter officers have asked about casino nights, raffles or bingo as fund raisers. These events are **illegal** if they meet the three step definition of gambling:

1. giving consideration (ie. money) for
2. a chance (roll of the dice etc.) to
3. win something of value (dinner for two etc.).

The event is **not illegal** if any one of these elements is missing. Thus, a game of skill such as golf or bowling would not be considered gambling even though entrants in the contest paid a fee and have a chance to win a car. It is legal if the chapter sold chips and allowed players to take their chances at blackjack, roulette or other classic forms of games, **if the players win no money or prize**. However, the players may designate a charity to receive their "winnings," which gives them an incentive to pay to play and helps out a good cause in the name of the chapter. The player may not take a deduction for the charitable contribution.

If you have questions about an event you are planning don't hesitate to call TRA's General Counsel for help in avoiding a gamble.

Other Special Event Ideas

The Sabine chapter hosts an annual "Chef's Delight." They work with the students of the Food Service Program at Lamar University and the Chef's Association to organize the event. The students sell the tickets and work the dinner, while the Chef's Association prepares the meal. Proceeds go

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to the chapter scholarship program supporting Lamar University students.

The North Texas chapter hosts an annual "Spaghetti Feed" for the participants in the bike race held in Wichita Falls each year.

The Houston chapter hosts a mayor's luncheon, where the chapter invites the mayor and city council for lunch. The lunch is served buffet style in a location convenient to council chambers. They do the event in October in conjunction with National Restaurant Month. Some chapters invite city council members for breakfast.

The Fort Worth chapter organizes a Bingo Night.

Sporting clays or skeet tournaments.

Fishing tournaments.

Percent of sales (restaurants donate % of sales on a particular night)

Tennis Tournaments

PAC Fundraising

Chapter Picnic

Chapter Trips (to the Southwest Foodservice Expo)

Past President's Gala and/or Awards Dinner

Silent Auction